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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

At Richmond, JUNE 15, 2000

APPLICATION OF

APPALACHIAN POWER COMPANY

CASE NO. PUE990352

For approval of tariff riders

ORDER ON MOTION

On June 9, 2000, Appalachian Power Company, d/b/a American Electric Power ("AEP-Virginia" or "the Company") filed a motion ("June 9 Motion") requesting that the Commission renew for an additional one-year term the two tariff riders that previously were approved on a temporary basis by the Commission in this docket.<sup>1</sup> Specifically, the Company requests that SCHEDULE ECS (Emergency Curtailable Service Rider) and SCHEDULE PCS (Price Curtailable Service Rider) be renewed for a term through June 1, 2001, on the same terms upon which they were previously approved.<sup>2</sup> The Company explained that SCHEDULE ECS was offered as a means to mitigate generation-related emergency operating conditions to minimize service interruptions to its firm service customers, and SCHEDULE PCS was offered to provide customers an option to manage their total price of electricity by curtailing firm load on an economic basis.

In its June 9 Motion, AEP-Virginia noted that the Commission, in its June 24 Order, had approved the implementation of the riders on a temporary basis through June 1, 2000. The

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<sup>1</sup> Order Approving Tariff, Document Control No. 990630203 (June 24, 1999) ("June 24 Order"); Order on Reconsideration, Document Control No. 99720005 (July 15, 1999). By their terms, the two tariffs expired on June 1, 2000.

<sup>2</sup> Originally, AEP-Virginia had proposed that compensation to customers for curtailed kWh under the provisions of the two tariff riders would be treated as purchased power for accounting and fuel factor purposes. In our prior orders in this case, we found that this proposal presented an issue as to whether such costs represent costs that are properly included in the Company's definitional framework of fuel expenses. We determined that this issue warranted further consideration in a proceeding in which Staff and all interested parties should participate, and declined to address at that time the issue of cost recovery of compensation to customers for curtailed load.

Company stated that, for most of the time the riders were in effect, it received no requests for service under either rider, and therefore the Company did not submit an earlier request for an extension of temporary implementation. AEP-Virginia further stated that, shortly before the June 1, 2000, expiration date for the temporary riders, the Company received an inquiry from a customer who expressed a serious interest in obtaining service under the tariff riders. The Company stated that it is willing to make the temporary riders available on the same temporary basis upon which they were available prior to June 1, 2000. The Company further stated that it believes the availability of the tariff riders through June 1, 2001, would provide it some experience with the riders and would be in the interest of the Company, its customers, and the public.

NOW THE COMMISSION, upon consideration of the Company's June 9 Motion, is of the opinion and finds that AEP-Virginia's request should be granted. We find that renewing the tariff riders for an additional-one year term will be in the public interest, particularly in light of the recent interest expressed by a customer in obtaining service under the tariff riders. We note that our approval is upon the same terms under which we originally approved the implementation of the tariff riders in the June 24 Order and, therefore, we do not address at this time the issue of cost recovery of curtailment compensation credits. Accordingly,

IT IS ORDERED THAT:

- (1) The Company's request in its June 9 Motion is granted.
- (2) SCHEDULE ECS and SCHEDULE PCS shall be renewed for an additional one-year term, through June 1, 2001.
- (3) This matter is continued generally.